

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Logan Corporation

Kentucky Manufacturing Assistance Center

Plant Clean-Up Yields Big Gains For Logan Corporation

Client Profile:

Logan Corporation is a privately held, diversified company that manufactures and distributes a wide range of mining, industrial, and construction parts and supplies. The corporation is headquartered in Huntington, West Virginia, and has two plants in Middlesboro and Prestonsburg, Kentucky. Logan is the exclusive U.S. distributor for General Electric Locomotive renewal parts. The Middlesboro, Kentucky plant produces supplies and equipment for underground and surface mining, rail transport, industrial plants, and construction projects.

Situation:

Logan's Middlesboro plant managers wanted to learn more about using lean manufacturing principles and techniques to lower costs, increase safety, and improve overall productivity at the facility. The company had heard about the lean expertise and services available through the Kentucky Manufacturing Assistance Center (KMAC), a NIST MEP network affiliate, and contacted the organization for assistance.

Solution:

KMAC assessed Logan's facility and recommended a 5S implementation as the first step in the company's lean initiative. The 5S system includes a series of activities designed to improve workplace organization and standardization. Through classroom training, simulation exercises, and floor review, Logan personnel learned how to systematically improve operations by: "Sorting" and removing unneeded items; "Setting in order" remaining items by establishing limits and creating location indicators; "Shining" everything and using cleaning methods as inspection tools; "Standardizing" procedures by implementing visual displays and controls; and finally, "Sustaining" the gains through self-discipline, training, communication, and total employee involvement.

Results:

- Saving costs in excess of 1 percent of annual sales.
- Improved profit margin.
- Realized 10 to 20 percent in annual cost reductions.
- Improved employee skills.
- Reduced unit labor costs by 10 to 20 percent.

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Reduced lead time and defect rate.
Improved competitive position.
Increased throughput.

Testimonial:

"The Kentucky Manufacturing Assistance Center's 5S program was an excellent introduction to lean. We were able to go on the floor and begin implementing 5S techniques immediately, and g[o]t positive results as well as worker buy-in. We now have a formal system that has created a safer and more efficient work area that is more productive and cost-effective."

Terry Broughton, Production Control Coordinator